

Message Text

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43

ACTION OES-04

INFO OCT-01 ARA-06 EUR-12 ISO-00 ACDA-05 CIAE-00 INR-05

IO-10 L-02 NSAE-00 NSC-05 RSC-01 FEAE-00 PM-03 SP-02

SS-15 PRS-01 USIA-06 DODE-00 AEC-05 AECE-00 /083 W

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P 141900Z NOV 74

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 6437

INFO AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

AMEMBASSY BONN

AMEMBASSY BUENOS AIRES

AMEMBASSY VIENNA

USMISSION EC BRUSSELS

C O N F I D E N T I A L BRASILIA 8624

VIENNA FOR IAEA

E.O. 11652: GDS

TAGS: TECH, BR

SUBJECT: WEST GERMAN NUCLEAR ASSISTANCE TO BRAZIL

REF: A(A) BRASILIA 8547

(B) BRASILIA 8545

(C) BONN 17717

(D) BONN 17737

1. ON NOV. 12, I MET IN RIO WITH WESTINGHOUSE
REPS BIRNBAUM, REITHMEIER, MURPHY AND HEINEMANN, WHO OUTLINED
COMPANY'S LATEST EFFORTS. HAVING LEARNED THAT MINISTER
OF MINES AND ENERGY UEKI WOULD NOT BE ABLE TO SEE THEM
UNTIL SOMETIME NEXT MONTH, THEY HAVE SUBMITTED COMPANY'S
WRITTEN PROPOSALS TO UEKI THROUGH AN INFORMAL CHANNEL.
THEY ARE FOLLOWING THAT UP WITH A LETTER DIRECTLY TO
THE MINISTER. THEIR MAIN OBJECTIVE AT MOMENT IS TO SLOW
DOWN THE GERMAN MOMENTUM, AT LEAST UNTIL THEY HAVE
OPPORTUNITY TO BRIEF UEKI PERSONALLY.

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2. MAJOR POINTS OF WESTINGHOUSE APPROACH TO UEKI WILL BE: (1) PRESENTATION OF WESTINGHOUSE PROGRAM, EMPHASIZING THAT FIRM'S PROPOSAL IS BENEFICIAL TO BRAZILIAN NUCLEAR PROGRAM; (2) WESTINGHOUSE CAN PROVIDE MATURE TECHNOLOGY FOR ENGINEERING, NUCLEAR COMPONENTS MANUFACTURE AND FUEL FABRICATION; (3) WESTINGHOUSE LICENSEES AND ASSOCIATE COMPANIES HAVE SUCCESSFULLY DEVELOPED NATIONAL NUCLEAR PROGRAMS WITHIN THEIR COUNTRIES AND FOR EXPORT; (4) WESTINGHOUSE APPROACH PROVIDES BRAZIL INDEPENDENT NUCLEAR PROGRAM WITHOUT CONSTRAINTS OF FOREIGN OWNERSHIP CONSIDERATIONS, SUCH AS QUESTIONS OF PRICE AND FUTURE EXPANSION; (5) WESTINGHOUSE NUCLEAR INDUSTRIAL BASE PROVIDES SINGLE COMPANY RESPONSIBILITY FOR ENGINEERING, COMPONENTS MANUFACTURE AND FUEL FABRICATION; (6) WESTINGHOUSE PROVIDES DISCRETE TRANSFER OF NUCLEAR TECHNOLOGY SEPARATE FROM PLANT DESIGN AND CONSTRUCTION; (7) WESTINGHOUSE LICENSEE APPROACH PROVIDES HIGH EXPORT POTENTIAL.

3. BIRNBAUM EXPRESSED HOPE THAT AEC/STATE WOULD BE ABLE TO SEND SPECIAL DELEGATION TO BRAZIL SOON TO DERIVE HOME MERITS OF US ENRICHMENT AND EQUIPMENT ORIENTATION AND TO REINFORCE OUR AIDE MEMOIRE. HE SAID HE RECENTLY CONVEYED A REQUEST ALONG THOSE LINES TO WASHINGTON OFFICIALS.

4. HEINEMANN CALLED CONGEN OFFICER NOVEMBER 13 TO REPORT THAT MEETING EARLIER IN DAY BETWEEN WESTINGHOUSE REPS, AND CNEN PRESIDENT HERVASIO CARVALHO HAS BEEN ENCOURAGING IN ITS OVERALL TONE. CARVALHO SAID HE HAD TELEPHONED MINISTER UEKI AND URGED HIM TO LISTEN TO WESTINGHOUSE OFFICIALS VERY CLOSELY WHEN THEY CALL ON HIM. HOWEVER, ANOTHER ITEM OF SIGNIFICANCE WHICH EMERGED FROM WESTINGHOUSE'S MEETING WITH CARVALHO WAS LATTER'S REPORTED STATEMENT THAT BECKER JET NOZZLE IS OPERATING UNDER LABORATORY CONDITIONS WHICH ARE ACCEPTABLE TO GOB. CARVALHO ALSO MENTIONED TO WESTINGHOUSE REPS THAT KWU OFFICIAL HAD RECENTLY VISITED BRAZIL TO REPORT AEG'S INTENTION TO WITHDRAW FROM COMPANY. (NEEDLESS TO SAY, WESTINGHOUSE IS ELATED OVER THE NEGATIVE IMPRESSION OF KWU WHICH IS BEING GIVEN IN CONFIDENTIAL

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TRADE PUBLICATIONS SUCH AS NUCLEONICE WEEK, WHICH IS WIDELY READ BY BRAZILIAN NUCLEAR OFFICIALS.)
CRIMMINS

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